



# Republican Policy Committee

Don Nickles, Chairman    Doug Badger, Staff Director    347 Russell Senate Office Building    (202)224-2946    <http://www.senate.gov/~rpc/>

May 13, 1996

## **Congress' Budget Balances Without Cuts to Social Programs**

### **Mr. President, "Are You Prepared Now To Stop" the Distortion?**

*"Mr. President, your most recent Clinton-Gore campaign commercials still speak about Republican cuts in Medicare and Medicaid. Speaker Gingrich points out repeatedly that these aren't cuts in Medicare or Medicaid, these are simply cuts in the projected growth of Medicare and Medicaid, which you in your own seven-year balanced budget proposal similarly propose. Are you prepared now to stop calling the Republican savings in Medicare and Medicaid 'cuts'?" (Reporter's Question, at May 8, 1996, Presidential press conference. Emphasis added.)*

*"Let me say this: Are you prepared to stop it. . . The press used it. We all learned to use it from the press." (President Clinton's response to the above question.)*

We guess that means your answer is "No," Mr. President. No matter that these statements by President Clinton are not and have never been true, it seems likely that he will continue to say them — and to assert that it's not his fault. Well, it does not matter whose fault it is. What is important is to remember that it's not the truth.

As the included graphs point out for all who are not blinded by politics, Congress' budget resolutions for FY 1997 do not cut either Medicare or Medicaid. Nor do they cut Welfare, Social Security, the Earned Income Credit, or any other Mandatory spending. What's more, no Republican proposal — no budget resolution, no budget bill, no budget offer — sent to President Clinton since the 1994 election has cut any of these programs.

While the familiar sight of President Clinton being called on his facts took place last Wednesday, it has been going on for well over a year. The point to remember is that repetition will never make it the truth.

- ▶ Congress' FY 1997 Balanced Budget Resolution does not "cut" Medicare, Medicaid, Welfare, Social Security, the Earned Income Credit, or any other Mandatory spending.
- ▶ Congress' FY 1997 Balanced Budget Resolution "cuts" three things: Washington's spending on itself, Washington's cost of borrowing, and Washington's deficit.
- ▶ Under Congress' FY 1997 Balanced Budget Resolution, Social Security spending will increase 34 percent over the next six years.

- ▶ Under Congress' FY 1997 Balanced Budget Resolution, Medicare spending will increase 42 percent over the next six years.
- ▶ Under Congress' FY 1997 Balanced Budget Resolution, Medicare spending will have an average growth at twice the rate of inflation — 6.1 percent over the next six years.
- ▶ Under Congress' FY 1997 Balanced Budget Resolution, Medicare spending over the next six years will be 61 percent higher than spending over the last six years.
- ▶ Under Congress' FY 1997 Balanced Budget Resolution, Medicare spending per beneficiary will increase from \$4,800 in 1995 to \$7,000 in 2002.
- ▶ Under Congress' FY 1997 Balanced Budget Resolution, Medicaid spending will increase 45 percent over the next six years.
- ▶ Under Congress' FY 1997 Balanced Budget Resolution, Welfare spending will increase 25 percent over the next six years.
- ▶ Under Congress' FY 1997 Balanced Budget Resolution, Earned Income Credit spending will increase 31 percent over the next six years.
- ▶ Under Congress' FY 1997 Balanced Budget Resolution, other Mandatory spending will increase 44 percent over the next six years.

### Congressional FY 1997 Balanced Budget Resolution Aggregate spending

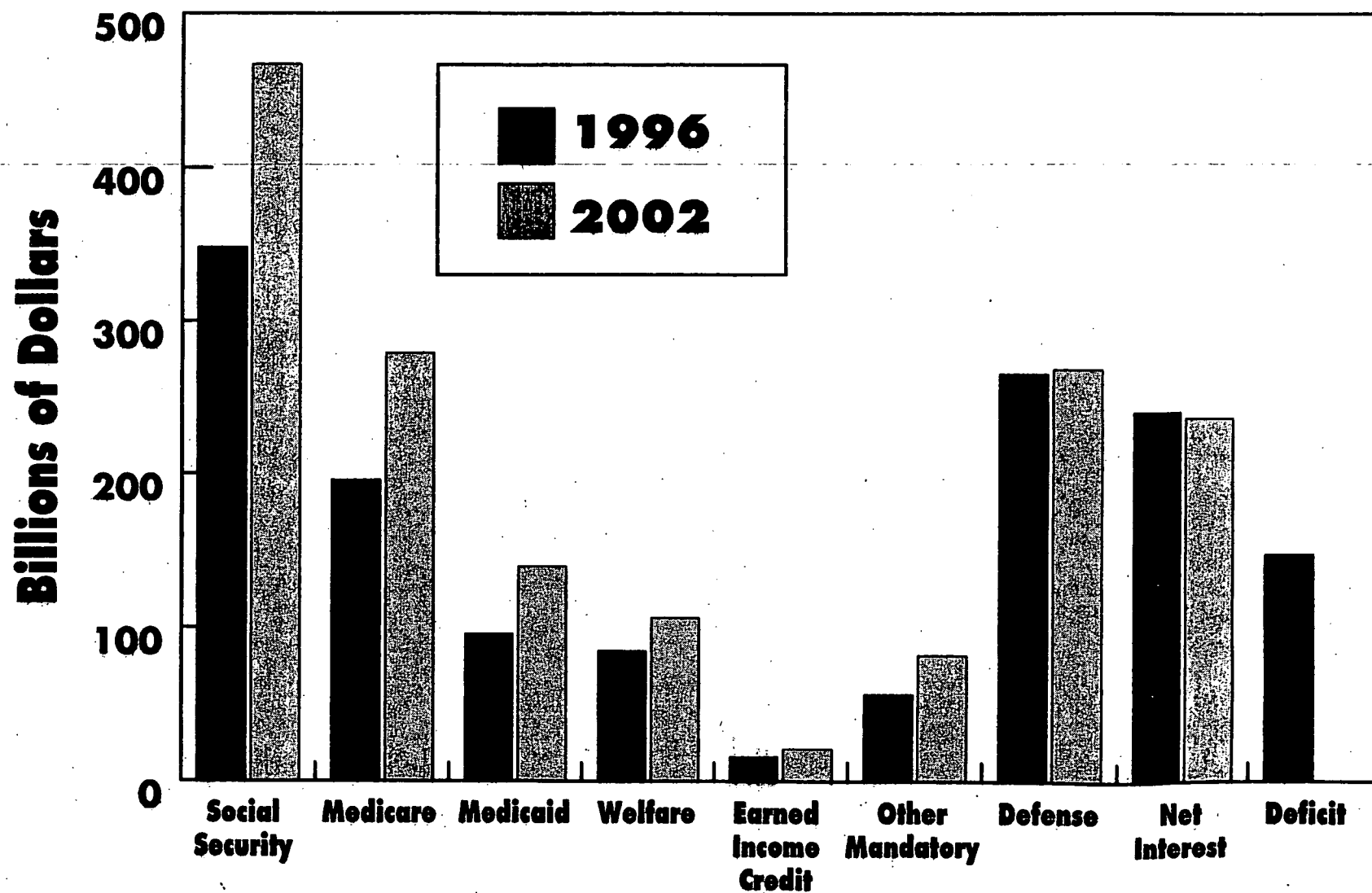
	<u>1996</u>	<u>2002</u>	<u>% Change</u>
Social Security	348	467	34
Medicare	196	279	42
Medicaid	96	139	45
Welfare	85	106	25
Earned Income Credit	16	21	31
Other Mandatory	57	82	44
Discretionary	536	516	-4
Net Interest	240	236	-2
Deficit	147	0	-100

Staff Contact: J.T. Young, 224-2946

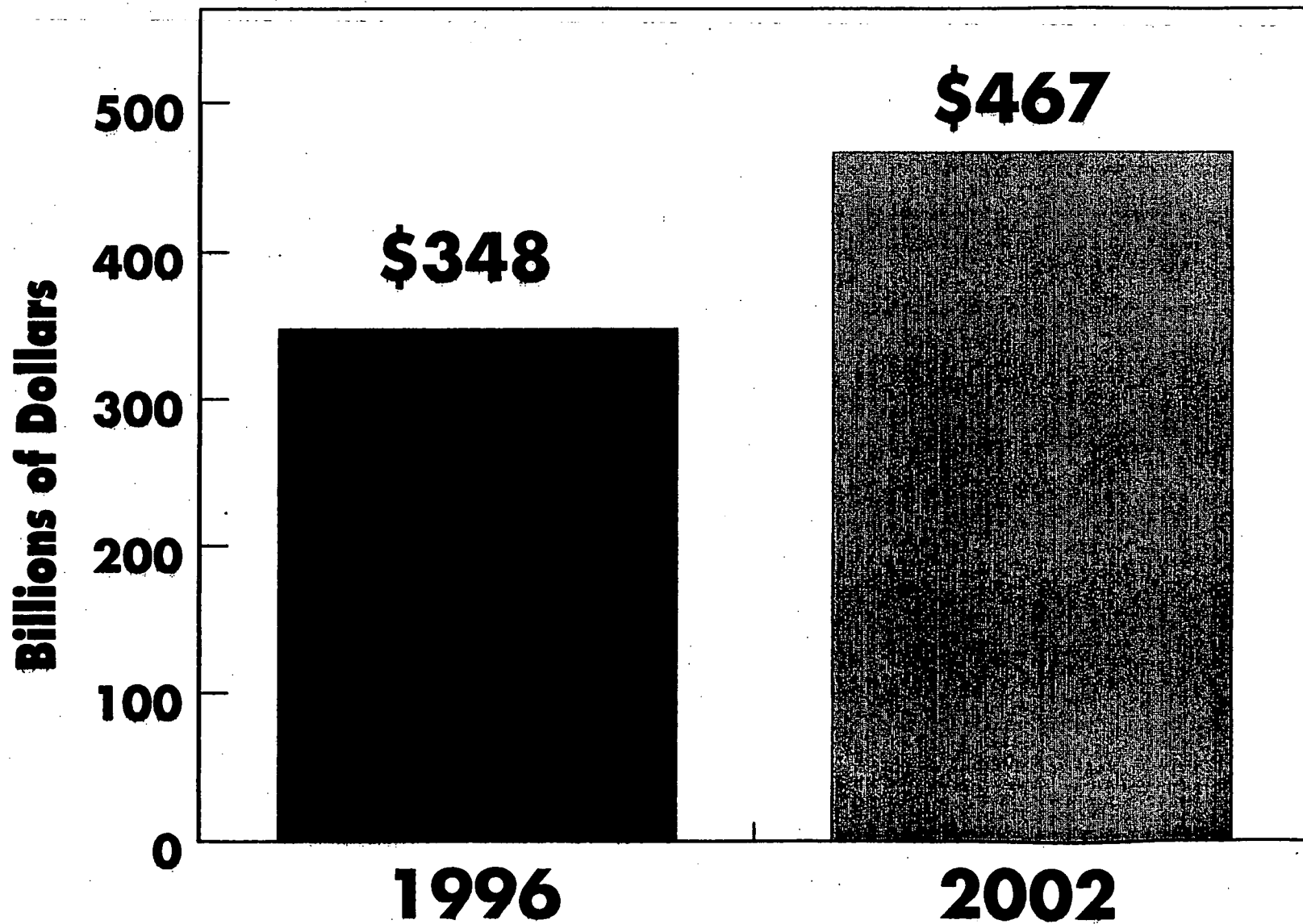
# Congressional FY 1997 Balanced Budget Resolution

## Aggregate Spending

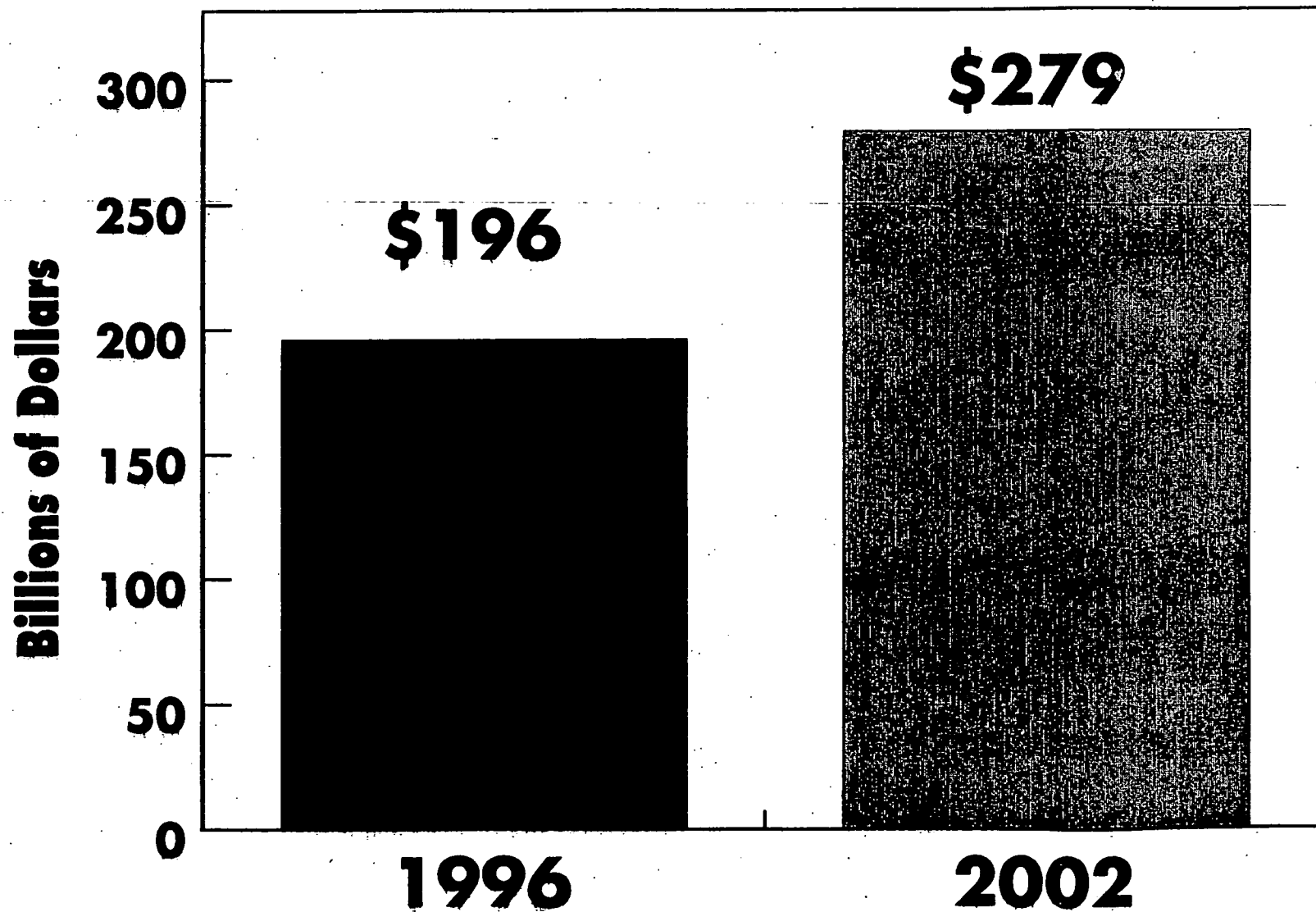
(BILLIONS OF DOLLARS)



# Social Security

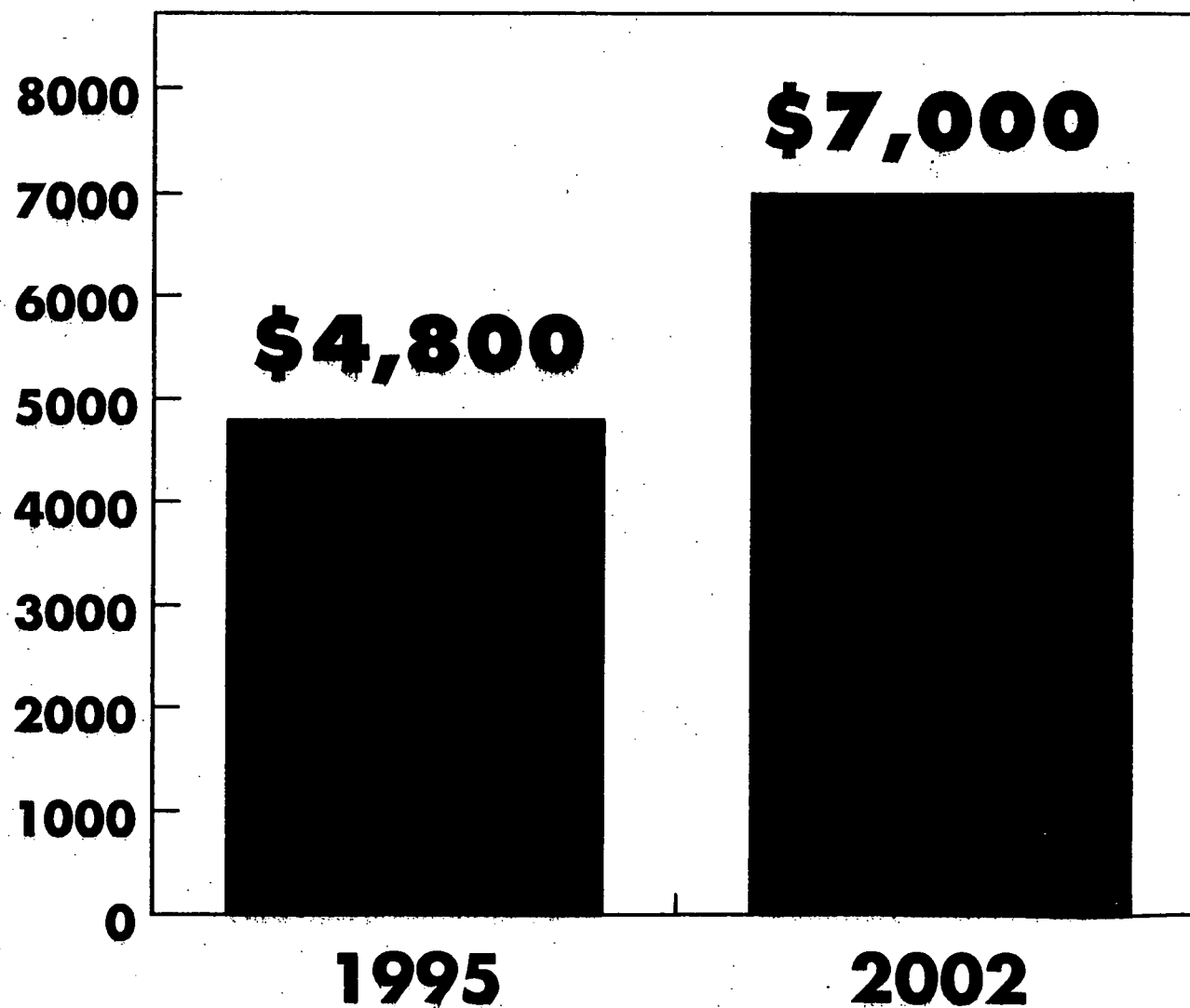


# Medicare

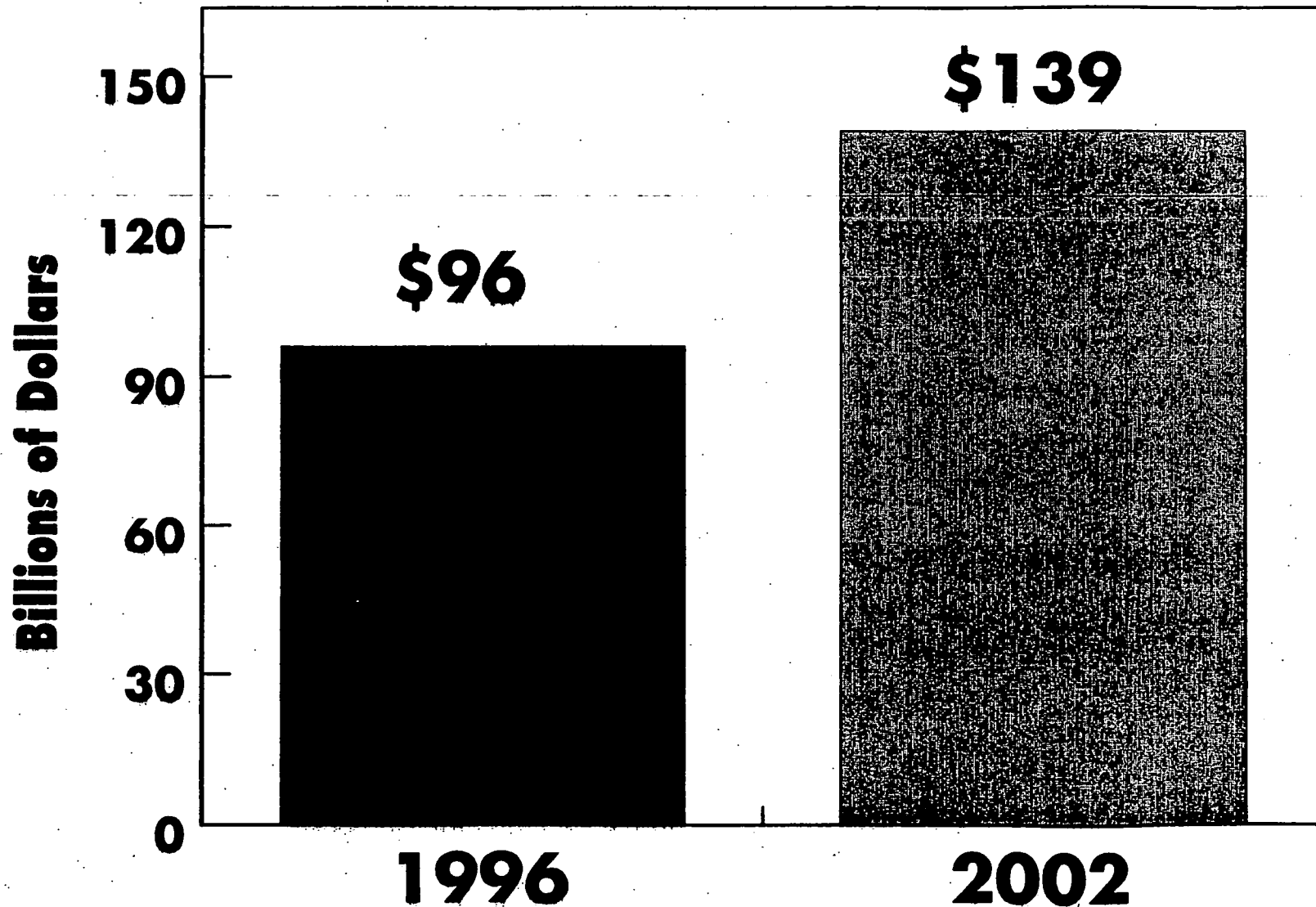


# **Medicare Spending Per Beneficiary**

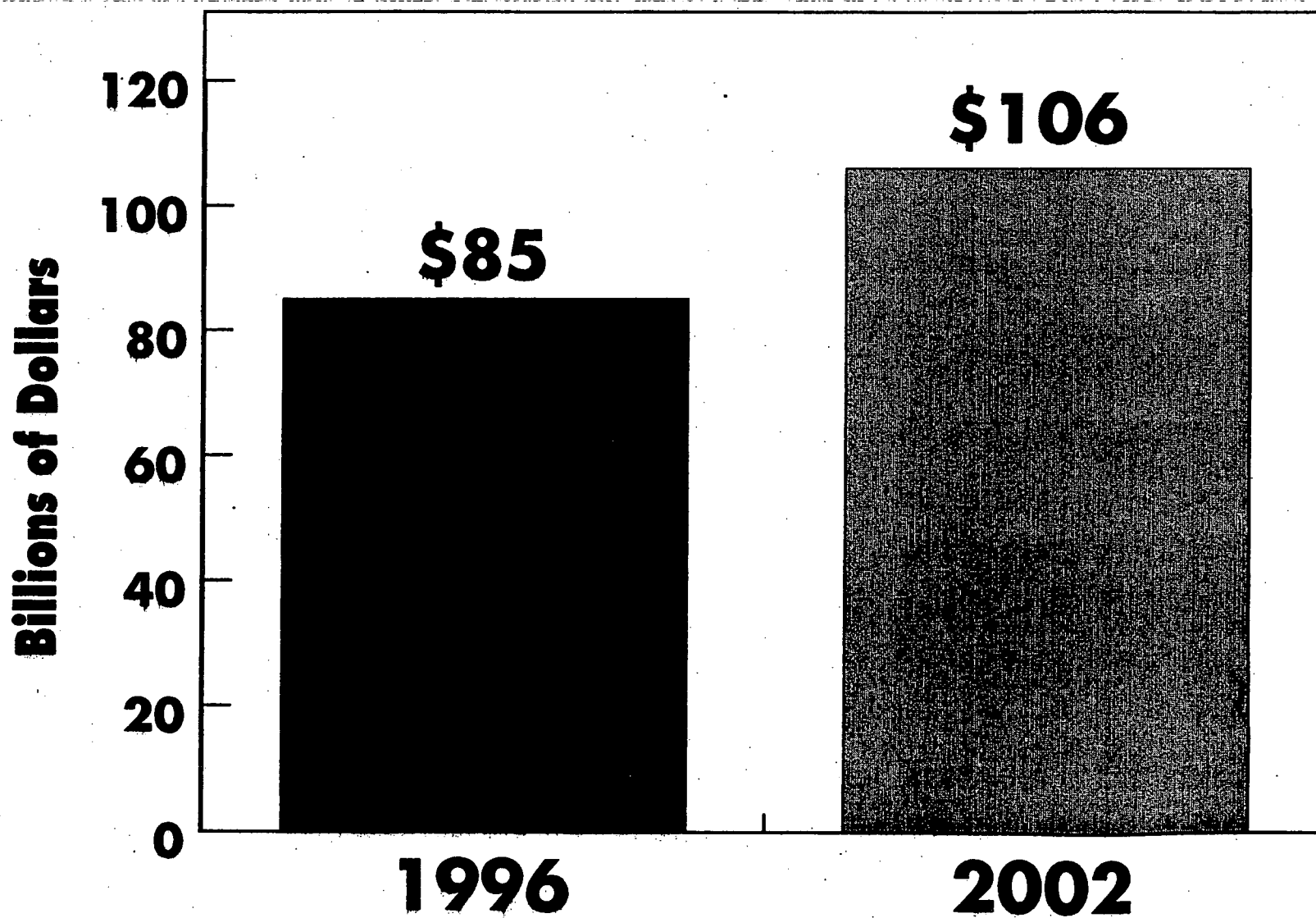
## **A 46 Percent Increase**



# Medicaid

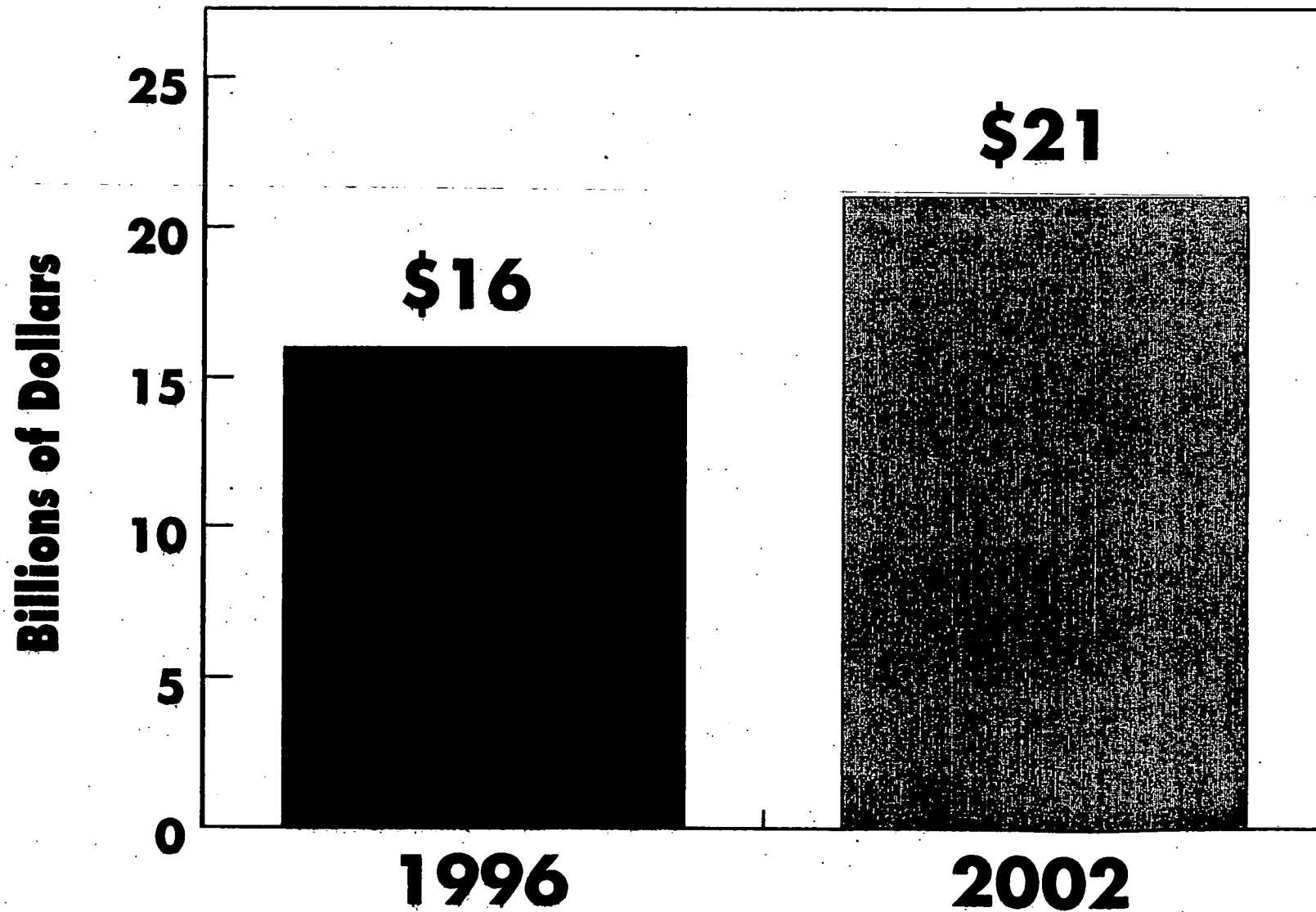


# Welfare

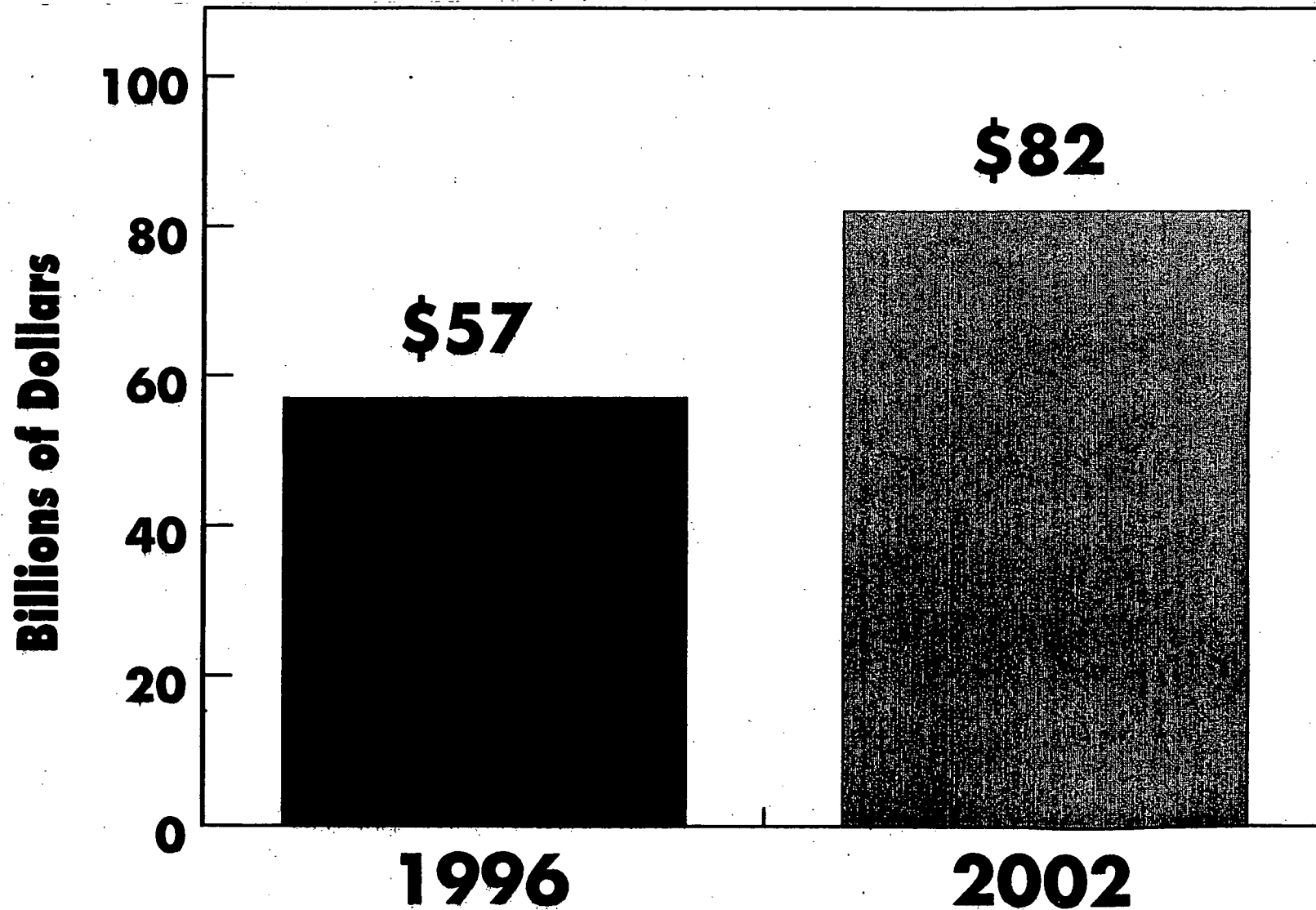




# Earned Income Credit



# Other Mandatory



# Defense

